

## 1 HOUSE JOINT RESOLUTION NO. 36

2 INTRODUCED BY RIPLEY, MUSGROVE, BUZZAS, MCNUTT, WELLS, HANSEN, BARKUS, HAWKS  
3 BY REQUEST OF THE HOUSE JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES  
4 AND COMMERCE  
5

6 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF  
7 MONTANA REQUESTING AN INTERIM STUDY OF LAWS AND FUNDING RELATED TO THE RESOURCE  
8 INDEMNITY TRUST.  
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10 WHEREAS, Article IX, section 2, of the Montana Constitution establishes a resource indemnity trust to  
11 be funded by taxes on the extraction of natural resources as the Legislature may from time to time impose for  
12 that purpose and the principal of the resource indemnity trust must forever remain inviolate in an amount of \$100  
13 million guaranteed by the state against loss or diversion; and

14 WHEREAS, in February 2002, the trust exceeded the \$100 million threshold; and

15 WHEREAS, the resource indemnity trust interest, the resource indemnity and ground water assessment  
16 tax, the metalliferous mines license tax, and applicable portions of the oil and natural gas production tax will  
17 provide \$26.6 million over the 2007 biennium to local governments, two universities, and four state agencies;  
18 and

19 WHEREAS, there is no centralized legislative oversight of the accounts when appropriations are made,  
20 the appropriations are made in three subcommittees, and other proposed legislation affecting the resource  
21 indemnity trust may not be considered by any subcommittee; and

22 WHEREAS, this lack of general appropriations oversight of these related accounts puts at risk the  
23 stability of the funds; and

24 WHEREAS, laws regarding the flow of funding from the trust, taxes, and assessments are confusing  
25 and conflicting; and

26 WHEREAS, the historic use of some funds has not met statutory requirements; and

27 WHEREAS, there is no formal plan to address revenue shortfalls in the interim.  
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29 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF  
30 THE STATE OF MONTANA:

1 That the Legislative Finance Committee BE REQUESTED TO direct sufficient staff resources to study laws  
2 related to the resource indemnity trust.

3 BE IT FURTHER RESOLVED, that the study:

4 (1) propose revisions to laws related to the resource indemnity trust;

5 (2) INCLUDE INPUT FROM THE DIRECTOR OF THE OFFICE OF BUDGET AND PROGRAM PLANNING AND THE  
6 DIRECTORS OF STATE AGENCIES THAT WOULD BE AFFECTED BY CHANGES TO THE RESOURCE INDEMNITY TRUST;

7 ~~(2)~~(3) examine funding priorities; and

8 ~~(3)~~(4) examine possible uses of funds related to the resource indemnity trust.

9 BE IT FURTHER RESOLVED, that any findings or conclusions be presented to and reviewed by the  
10 Legislative Finance Committee.

11 BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review  
12 requirements, be concluded prior to September 15, 2006.

13 BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions,  
14 comments, or recommendations of the appropriate committee, be reported to the 60th Legislature.

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